

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

HB 631 - SB 619

March 14, 2017

SUMMARY OF BILL: Requires the State Board of Education (SBE) to promulgate rules for a program to reduce sources of lead contamination in drinking water. The program must include testing of lead levels in drinking water sources in schools built prior to June 19, 1986, retesting schools with high lead levels, and providing notice of tests where lead levels were high to the Commissioner of the Department of Education (DOE) as well as to the parents and guardians of children that attend the requisite schools with high lead levels in drinking water.

ESTIMATED FISCAL IMPACT:

On March 13, 2017, a fiscal note was issued for this bill with the following estimated fiscal impact:

*Increase State Expenditures – Exceeds \$6,200/FY17-18
Exceeds \$6,600/FY18-19 and Subsequent Years*

*Increase Local Expenditures – Exceeds \$354,200/FY17-18 and Subsequent Years**

Other Fiscal Impact – There may be additional state expenditures and additional mandatory local expenditures if remediation of school water systems or potable water supplies are required after testing. The extent and timing of any such expenditures are dependent upon several unknown factors and cannot be reasonably determined.

Due to overestimation of the number of schools that would be required to perform tests, the fiscal note was in error. As a result, the fiscal note is being corrected as follows:

(CORRECTED)

**Increase State Expenditures - Exceeds \$6,200/FY17-18
Exceeds \$6,600/FY18-19 and Subsequent Years**

**Increase Local Expenditures -
Exceeds \$177,200/FY17-18 and Subsequent Years***

HB 631 - SB 619 (CORRECTED)

Other Fiscal Impact – There may be additional state expenditures and additional mandatory local expenditures if remediation of school water systems or potable water supplies are required after testing. The extent and timing of any such expenditures are dependent upon several unknown factors and cannot be reasonably determined.

Assumptions Relative to Costs for Lead Testing:

- Based on information from the Tennessee Department of Environment and Conservation (TDEC) and the DOE, each lead test will cost a minimum of \$20 per tap from which water is drawn.
- It is estimated that there will be a minimum of 10 taps tested for each tested school; a minimum total expenditure of \$200.00 per tested school (10 minimum taps x \$20 test cost).
- Periodic testing is assumed to mean at least once per year.
- If testing finds levels of lead beyond the level as set forth in the federal Safe Water Drinking Act (42 U.S.C. § 300f et seq), then the state or local government, as applicable, will be required to provide safe drinking water and remediation until further testing proves that the lead level has been reduced to the acceptable standard.
- There may be additional increases in state or local expenditures in FY17-18 or subsequent fiscal years for further testing, the provision of potable water, and remediation upon an actionable finding; however, such expenditures cannot be reasonably determined and are dependent upon multiple unknown factors, including but not limited to, the number of impacted schools within the ASD or LEA; the number of schools that require continued testing; the type and amount of remediation that is necessary; and the length of time that remediation takes per school.

Corrected Assumptions Relative to State Expenditures for Lead Testing

- Currently, the Achievement School District (ASD) contains 29 schools.
- It is assumed that all 29 ASD schools will be tested in FY17-18 and will be tested annually thereafter.
- Any new schools built before June 19, 1986 that are subsequently brought into the ASD after initial testing will be tested beginning in FY18-19 and annually thereafter.
- The ASD is assumed to add a minimum of two new schools each year that will require annual lead testing.
- The Tennessee School for the Deaf (TSD) and the Tennessee School for the Blind (TSB) will conduct water tests in FY17-18 and annually thereafter.
- The total increase in state expenditures for FY17-18 is estimated to exceed \$6,200 [(\$200 x 29 ASD schools) + (\$200 x 2 for the TSD and TSB)]; and for FY18-19 and subsequent years is estimated to exceed \$6,600 [(\$200 x 29 ASD schools) + (\$200 x 2 for TSD and TSB) + (\$200 x 2 for additional ASD schools)].

Corrected Assumptions Relative to Local Expenditures for Lead Testing

- Currently, there are 1,811 primary or secondary schools in Tennessee.
- TDEC indicates that there are nine non-ASD operated schools that are currently required to test for lead contamination under current federal regulations relative to lead and copper testing.
- It is estimated that approximately half of the 1,771 (1,811 schools – 29 ASD schools - 2 for TSD and TSB - 9 schools currently being testing) locally-controlled primary or secondary schools, or 886 schools [1,771 x 50.0%], will be subject to lead testing in FY17-18 and annual testing thereafter.
- The recurring increase in local expenditures for testing is estimated to exceed \$177,200 (\$200 x 886 schools).

Assumption Relative to Reporting and Rule Promulgation:

- Any increase in state or local expenditures to promulgate rules and regulations for this program; to publish reports of testing results; to provide notices, and to make a report to the Governor and Speakers of the General Assembly is estimated to be not significant.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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